

Message Text

CONFIDENTIAL

PAGE 01 VICTOR 00259 232039Z

ACTION AF-10

INFO OCT-01 EUR-12 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04

H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 IO-13 EB-07 COME-00 TRSE-00

OMB-01 AID-05 /104 W

-----240141Z 011172 /65

R 231627Z MAY 77

FM AMEMBASSY VICTORIA

TO SECSTATE WASHDC 361

INFO AMEMBASSY ADDIS ABABA

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY NAIROBI

AMEMBASSY PARIS

AMEMBASSY PORT LOUIS

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

STATE

C O N F I D E N T I A L VICTORIA 259

E.O. 11652: XGDS-1

TAGS: PINT, ECON, PFOR, SE, SA, IR

SUBJECT: SEYCHELLES - SAUDI RELATIONS: THE KHASHOGGI CONNECTION

SUMMARY - IN RECENT MONTHS, SEYCHELLES HAS ATTRACTED ATTENTION OF MEMBERS OF SAUDI ARABIAN ROYAL FAMILY. THIS INTEREST HAS BEEN FOSTERED BY ENTREPRENEUR ADNAN KHASHOGGI, WHO HAS EMERGED AS CLOSE PERSONAL FRIEND OF PRESIDENT MANCHAM AS WELL AS LOCAL INVESTOR. PROSPECTIVE LARGE-SCALE SAUDI PRESENCE, WHICH IS VIEWED WITH CONCERN BY MANY SEYCHELLOIS, HAS BECOME DIVISIVE ISSUE AMONG MEMBERS OF COALITION GOVERNMENT. END SUMMARY.

1. ON MAY 18, A SEYCHELLES MINISTERIAL DELEGATION VISITED SAUDI ARABIA TO DELIVER A PERSONAL MESSAGE FROM PRESIDENT MANCHAM TO KING KHALID EXPRESSING APPRECIATION FOR SAUDI INTEREST IN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VICTOR 00259 232039Z

SEYCHELLES' DEVELOPMENT MOST RECENTLY MANIFESTED BY ANNOUNCEMENT THAT KHALID'S BROTHER, PRINCE TALAL, WILL INVEST U.S. DOLS. 30,000,000 IN TOURIST COMPLEX. ACCORDING PARTICIPANT, KHALID TOLD DELEGATION THAT SAUDI ARABIA IS PREPARED TO PARTICIPATE IN SEYCHELLES' FIVE YEAR DEVELOPMENT PLAN BY PROVIDING FINANCING FOR INFRASTRUCTURE AND HOUSING PROJECTS. HE ALSO ACCEPTED AN INVITATION (FOR HIMSELF AND CROWN PRINCE FAHD) TO MAKE AN OFFICIAL

VISIT TO SEYCHELLES IN OCTOBER. VISIT TO RIYADH WHICH WAS ARRANGED BY THE SAUDI ENTREPRENEUR ADNAN KHASHOGGI (WHO ACCOMPANIED SEYCHELLOIS OFFICIALS), SERVED TO HIGHLIGHT THE CONTROVERSIAL KEY ROLE KHASHOGGI IS PLAYING IN THE EMERGING CLOSE BI-LATERAL RELATIONSHIP.

2. KHASHOGGI, WHO FIRST MET MANCHAM (THEN CHIEF MINISTER IN THE COLONIAL GOVERNMENT) THREE YEARS AGO, HAS BEEN A FREQUENT VISITOR TO SEYCHELLES SINCE INDEPENDENCE IN JUNE 1976. HE RECENTLY SPENT U.S. DOLS. 8,000,000 TO ACQUIRE PRIME BEACH-FRONT PROPERTY FOR A HOTEL AND IS CREDITED LOCALLY WITH ARRANGING TALAL'S FEBRUARY VISIT WHICH CULMINATED IN THE DECISION TO BUILD THE 30 MILLION DOLLAR COMPLEX, THREE TIMES MORE EXPENSIVE THAN ANY EXISTING HOTEL. THE EXPENDITURES ASSOCIATED WITH HIS VISITS (AIRPORT LANDING FEES, HOTEL BILLS FOR HIS TYPICAL ENTOURAGE OF ABOUT 40 PEOPLE, HARBOR DUES, ETC.) HAVE HAD DISPROPORTIONATELY GREAT IMPACT ON SEYCHELLES' SMALL ECONOMY.

3. AT SAME TIME, MANCHAM'S FRIENDSHIP WITH KHASHOGGI AND LARGE-SCALE ARAB INVOLVEMENT IN SEYCHELLES HAVE GENERATED CONSIDERABLE LOCAL COMMENT AND PLACED FIRST MAJOR STRAIN ON COALITION GOVERNMENT. OVER PAST SEVERAL MONTHS, KHASHOGGI, IN CONCERT WITH MANCHAM, HAS ATTEMPTED TO WIN LOCAL SUPPORT AND ALLAY SUSPICIONS BY MAKING SEVERAL WELL-PUBLICIZED CHARITABLE DONATIONS, PROVIDING FREE MASS FILM SHOWINGS AND GIVING CAREFULLY-ORCHESTRATED RADIO AND PRESS INTERVIEWS. PUBLIC RELATIONS EFFORTS CULMINATED IN MAY 12 STATE HOUSE RECEPTION IN KHASHOGGI'S HONOR AT WHICH MANCHAM REVIEWED THEIR FRIENDSHIP, THANKED KHASHOGGI FOR PLACING HIS PERSONAL 727 AIRCRAFT AND YACHT AT SEYCHELLES'

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VICTOR 00259 232039Z

(I.E., PRESIDENT'S) DISPOSAL AND CALLED HIM "THE SORT OF FRIEND SEYCHELLES NEEDED MOST."

4. KHASHOGGI IS NOT FIRST MIDDLE EAST FIGURE TO INVEST HEAVILY IN SEYCHELLES. TWO YEARS AGO, THE SHAH'S NEPHEW, PRINCE SHARAM, BOUGHT 8 ISLANDS IN AMIRANTES AND IS CURRENTLY SPENDING U.S. DOLS. 12,000,000 DEVELOPING ROYAL RESORT ON PRINCIPAL ISLAND OF D'ARROS. IRANIAN PRESENCE IN CONTRAST TO SAUDI, HOWEVER, IS CONCENTRATED ON OUTLYING ISLAND GROUP AND GOES VIRTUALLY UNNOTICED.

5. IN A LENGTHY MAY 20 MEETING, MANCHAM TOLD ME PRIME MINISTER RENE (LEADER OF FORMER OPPOSITION PARTY) AND HIS FOLLOWERS WERE BEHIND PRESENT "WHISPERING CAMPAIGN TO DISCREDIT KHASHOGGI." STREET TALK, INTER ALIA, CHARGES KHASHOGGI WITH ATTEMPTED TO "BUY" SEYCHELLES, SAY HE WAS EXPELLED FROM U.S. AND LINKS HIM TO STILL UNSOLVED DISAPPEARANCE OF SEYCHELLOIS WHO ALLEGEDLY CRITICIZED ARAB PRESENCE. ACCORDING MANCHAM, RENE IS JEALOUS OF DOMESTIC POLITICAL CONSEQUENCE OF "SPECIAL RELATIONSHIP"

MANCHAM HAS WITH KHASHOGGI, "THE MAN WHO CAN SOLVE ALL OUR PROBLEMS." IN ADDITION, MANCHAM ALLEGES RENE IS RECEIVING FINANCIAL ASSISTANCE FROM LIBYA (VIA LIBYAN CHARGE IN MAURITIUS) AND IS THEREFORE OBLIGED TO ADOPT ANTI-SAUDI LINE.

6. COMMENT: WHATEVER THE TRUTH OF MANCHAM'S REMARKS, IT IS APPARENT THAT RENE HAS MADE CONSCIOUS EFFORT TO KEEP HIS DISTANCE FROM KHASHOGGI'S LOCAL ACTIVITIES DESPITE MANCHAM'S EFFORTS TO ASSOCIATE HIM PUBLICLY WITH THEM. PRESENT SITUATION GIVES CLEAREST INDICATION TO DATE THAT VESTIGES OF DECADE OF BITTER PRE-INDEPENDENCE PARTISAN RIVALRY REMAIN AND THAT NEITHER MANCHAM NOR RENE HAS OVERCOME FUNDAMENTAL MISTRUST (AND THINLY VEILED HOSTILITY) WHICH CHARACTERIZED THEIR RELATIONS.
MATTSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, MINISTERIAL VISITS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977VICTOR00259
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Expiration:
Film Number: D770184-0202
Format: TEL
From: VICTORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770526/aaaaawnb.tel
Line Count: 130
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0ad9568b-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2399896
Secure: OPEN
Status: NATIVE
Subject: SEYCHELLES - SAUDI RELATIONS: THE KHASHOGGI CONNECTION SUMMARY - IN RECENT MONTHS, SEYCHELLES HAS ATTRACTED ATTENTION OF MEMBERS OF SAUDI ARABIAN RO YAL FAMILY. THIS INTER
TAGS: PINT, ECON, PFOR, OVIP, SE, SA, IR
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/0ad9568b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009